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## OGC HAS REVIEWED.

### 1. Authority

25X1A

- a. [REDACTED] provides that a dollar "Asset" account be maintained to show the cost or appraised value of furniture, equipment, and other nonexpendable property purchased with public funds or lawfully donated to the United States and in the custody of the organization.
- b. All property picked up by the Property Records Section will be recorded at a fixed evaluation rather than the actual purchase price. The Accounts Unit, Fiscal Section, will record property purchased at the cost price but will so adjust the accounts that the property will be carried in the "Asset" account at the fixed evaluation only.

### II. Acquisition and Disposition

The means by which nonexpendable property may be acquired and/or disposed of are set forth below:

#### a. Acquisition

- (1) Transfer from another government agency.
- (2) Constructed or donated articles received without acquisition documents or on hand without previous record.
- (3) Salvage from surveyed equipment
- (4) Purchase from vouchered funds
- (5) Purchase from unvouchered funds

#### b. Disposition

- (1) Transfer to other government agencies
- (2) Salvage destruction
- (3) Sale (vouchered)
- (4) Sale (unvouchered)
- (5) Sale for exchange (such as automobiles)
- (6) Lost and accounted for by individuals responsible for loss - (Survey Report)
- (7) Grant and/or expenditure for operational purposes

### III. Maintenance of Records

- a. The following two alternative plans are proposed for maintaining property records of the CIG:

#### (1) Plan No. 1

- (a) Property Records Section would pick up all nonexpendable property, including operational equipment, transferred from SSU in the U. S. or overseas. Each item

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Approved For Release 2001/08/28 : CIA-RDP57-00384R000800170030-5 and the evaluation by item would be inserted on the acquisition document to be transmitted to the Accounts Unit for entry in the "Asset" account.

- (b) All property acquired hereafter, whether by purchase from vouchered or unvouchered funds, transfer, donation or otherwise, regardless of the purpose for which it was to be used or the geographical location to which it was to be sent, would be picked up by the Property Records Section, assigned an appraised evaluation which will be inserted on the acquisition document and routed to the Accounts Unit for entry in the "Asset" account. The dollar value would remain as a debit in the "Asset" account until disposition documents, also showing evaluations, were submitted at which time the "Asset" account would be credited for the amounts shown on the disposition documents.
- (c) This system would require that the Special Funds Section and the Projects Support Section keep the Property Records Section advised by item and price of the purchase from unvouchered funds or the acquisition through project sources of all nonexpendable property, and that the Property Records Section transmit these records to the Accounts Unit for entry in the "Asset" account. The Special Funds Section and the Projects Support Section would be required to furnish documentary evidence or certificates for all property disposed of or expended for operational purposes, and these documents would have to be routed through to the Accounts Unit for entry in the "Asset" account.
- (d) World-wide annual inventories would be taken of all nonexpendable property and forwarded to the Property Records Section. The Property Records Section would reconcile the inventory reports with their records by items and would then reconcile their total records by dollar evaluations with the Accounts Unit. Where discrepancies existed in the way of shortages, it would be necessary to prepare disposition forms with dollar evaluations shown, and route to the Accounts Unit for crediting the "Asset" accounts. If discrepancies existed in the form of overages, acquisition forms would have to be prepared and routed to the Accounts Unit for debiting the "Asset"

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(2) Plan No. 2

- (a) Property Records Section would pick up all nonexpendable property transferred from the SSU, including operational equipment and overseas property. They would, however, assign dollar evaluations only to the nonexpendable property used for housekeeping purposes and stock in Washington, D. C., and would transmit documents covering this type of property only to the Accounts Unit for entry in the "Asset" account. In other words, the property accountability by item would be maintained on all property, wherever located and regardless of source of acquisition, but the dollar accountability would be maintained only on the property located in Washington, D. C. on the theory that all property sent overseas or advanced for operational purposes would be considered as "Expended for operational purposes" insofar as the dollar accountability of the agency was concerned.
- (b) In the case of property in Washington, D. C., that was being sent overseas or advanced for operational purposes, disposition documents would be prepared by the Property Records Section and transmitted to the Accounts Unit for crediting of the "Asset" account. Similarly, if property from overseas, or property advanced for operational purposes was returned to Washington, D. C., acquisition forms would be prepared by the Property Records Section and routed to the Accounts Unit for debiting of the "Asset" account. Under this plan, the Property Records Section would continue to maintain the same item accountability as under Plan No. 1, but would be relieved of the task of providing dollar evaluations on all overseas and operational property and effecting reconciliations with the Accounts Unit on operational and overseas items.
- (c) In the case of purchases of equipment by overseas operating units from the War and Navy Departments to be paid for from vouchered funds, the dollar evaluations could be picked up by the Accounts Unit in their "Asset" account, but in effect written off by a reverse entry, as "expended for operational purposes".

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b. Evaluation and Comparison of the Two Plans

- (1) The dollar evaluation shown on the books of the Accounts Unit would not in any event reflect the true value of the "Assets" of the organization. Under Plan No. 1, the value of the "Assets" shown would always be in excess of the actual value of nonexpendable equipment actually in the possession of the agency. Under Plan No. 2, the value of the "Assets" shown would always be less than the actual value of the nonexpendable equipment in the possession of the agency.
- (2) The only advantage in Plan No. 1 is that it would provide a double check on property accountability thereby assuring that accountability for equipment was not dropped without proper documentary evidence of the disposition.
- (3) The disadvantages of Plan No. 1 include the terrific amount of detailed work that would be required and the additional personnel needed to keep it current. Also, security wise, it would expose certain activities to a larger number of people. Further, the CIG as an agency would always be accountable for some property which it did not possess, and this might prove embarrassing budget wise as well as from the standpoint of accountability.
- (4) The advantages of Plan No. 2 are that it keeps the accountability of the CIG at a low figure, saves considerably in personnel and is more secure.
- (5) The actual accountability as far as the individual is concerned is the same under both plans.

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